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Year-End Closing

Introduction

Year-end procedures help to ensure all financial data are recorded in the Central Accounting System (CAS) in an efficient, timely, and accurate manner. This chapter will discuss the special requirements for the following:

- ◆ Recording obligations at fiscal year-end, and
- ◆ Submitting period-end estimates to ensure all obligations are recorded for the current fiscal year.

Fund holders are responsible for providing required data to meet deadlines for annual accounting reports. The Animal and Plant Health Inspection Service's year-end financial reports are submitted to the Treasury through the National Finance Center (NFC). These reports certify that amounts shown are correct, and that all known obligations are documented as required by 32 U.S.C. 1502. The Office of Management and Budget (OMB) and Congress use the obligation amount reported to the Treasury as the final official results in the budget documents. Every effort should be made to report all receipt and obligation activities to ensure the accuracy of financial and budgetary reports.

Each year, the Field Servicing Office (FSO) and the Budget and Accounting Division (BAD) issue end of year instructions to units based on instructions from NFC. The deadlines mentioned in the following sections will change slightly from year to year.

**Period-End
Estimates (Form
AD-718)**

Fund holders should prepare and submit Form AD-718 to FSO for items that will not be received by NFC or FSO in time to be included in the September monthly accounting reports. These items include obligations recorded in informal records or additional obligations which will be incurred by fiscal year end.

Submit period-end estimates to FSO through the use of the Centralized Accounting Adjustment System and Period-End Estimates for Remote Users (CASPER), or fax a copy of Form AD-718 to NFC or FSO. You may mail Form AD-718 to FSO or NFC; however, it is important that NFC or FSO **receives** Form AD-718 by COB October 1 so that the period-end estimates will be included in the September monthly reports.

Hold all obligating documents prepared or approved after September 16. Include these held documents on the AD-718.

If prompt payment or other considerations make it necessary to send a document after September 16 and there is evidence that NFC or FSO will receive it by October 1, **DO NOT INCLUDE IT ON FORM AD-718.**

See the FSO Customer User Guide for instructions for preparing the AD-718.

A complete outline of items to consider when preparing Form AD-718 is found in Exhibit 8-1, List of Items to Consider For Recording on the AD-718, Period-End Estimates.

**Contracts and
Agreements**

All contracts, agreements (including interagency), or other obligating documents approved and signed in the current fiscal year must be included in the accounting reports for that fiscal year. Following are some guidelines to ensure this:

- ◆ Make all amendments or adjustments to contractual arrangements so that the accounting system reflects the correct balance remaining as an obligation. Following are some examples:

**Contracts and
Agreements
(Continued)**

- ◆ Reduce obligations for the amount of refunds still due from cooperative agreements for the current year.
- ◆ Increase obligations for any additional amendments incurred during the current fiscal year.
- ◆ Decrease obligations if the amount to be expended for the current fiscal year will be less than the obligation recorded on the agreement.
- ◆ Arrange with the servicing procurement office to submit the revised current fiscal year obligating documents so that FSO will receive them by COB on October 1.
- ◆ Phone or wire information to FSO on any document which will not be received before the deadline.

**Unbilled
Reimbursements/
Revenue**

Interagency Agreements (Reimbursable) (Form AD-672) Where APHIS Provides Services. All offices and field stations having reimbursable agreements should prepare a memorandum listing estimated amounts of reimbursable services to be provided through September 30 of the current fiscal year. Include items that were not submitted to FSO on Form APHIS 90, Report of Reimbursable Service Rendered.

Cooperative Service Agreements. All offices having cooperative service agreements should prepare a memorandum listing estimated amounts of reimbursable services to be rendered through September 30 of the current fiscal year. Include items that did not appear on the August current fiscal year I-1, Detail Transaction Report (DTR).

**Unbilled
Reimbursement/
Revenue
(Continued)**

Smuggled/Illegally Imported Birds. All quarantine stations holding smuggled/illegally imported birds will prepare a memorandum specifying the seizure number and estimated revenue accumulated through September 30 of the current fiscal year for which an APHIS Form 90 has not been submitted to FSO.

Animals in Quarantine and Pet Birds. All quarantine stations holding animals and pet birds in quarantine will prepare a memorandum estimating revenue through September 30 of the current fiscal year, where the cash collections have not been received and sent to FSO for deposit.

Include the following in each memorandum:

- ◆ Name of the agency, company, or person to be billed,
- ◆ Period covered in the estimate,
- ◆ Agreement number or other authority,
- ◆ Accounting code to be credited, and
- ◆ Estimated amounts.

The memorandum must reach FSO by October 1.

**Form AD-757,
Miscellaneous
Payment System**

Prepare Form AD-757 to make adjustments from one accounting code to another. Prepare Form AD-757 or a corrected T&A via PC-TARE for corrections to payroll accounting data. FSO must receive all Form AD-757's by COB October 1 for the adjustments to be included in the September fiscal Year-end accounting reports. See Chapter 5 for a detailed description of Form AD-757.

**Additional
Obligations**

Fund holders should review their informal ledgers, online CADI transaction screens, and the August DTR's to ensure that all current fiscal year obligating documents and adjustments submitted on AD-757's have been recorded.

**Additional
Obligations
(Continued)**

If any obligating document submitted to NFC through August of the current year has not appeared on the August or prior month's DTR's, contact NFC Inquiry to determine if the document has been processed in the NFC payment subsystem. If NFC determines that the document was processed in August of the current fiscal year or prior months and charged to the proper accounting code, contact FSO. They will determine why the transaction is not on the DTR and advise accordingly.

For documents submitted to FSO through August of the current fiscal year that have not appeared on the DTR, contact FSO. They will research the item and advise accordingly.

If NFC or FSO determines that the document in question was processed after the August current year accounting cycle cutoff, the document will appear on the September current fiscal year DTR's, and no further action will be required.

If research by FSO determines that a document in question will not be recorded in the accounting system in September of the current fiscal year, it must be reported on a Form AD-718 and be received in FSO by COB October 1.

**Splitting Fiscal Year
Charges for Travel
and Payroll**

Occasionally, travel and payroll payments span 2 fiscal years. Accurate financial and budgetary reports require that the charges be matched to the fiscal year in which they were incurred. This section provides instructions for preparing Form AD-616, Travel Voucher, and Form AD-321, T&A Reports. Fund holders must inform all travelers and T&A clerks of the appropriate code to use for each fiscal year.

Splitting Fiscal Year Charges for Travel and Payroll (Continued)

Splitting Charges for Travel. Travelers in travel status during the latter part of September and into October must show both fiscal year accounting codes on their travel voucher. Travelers should charge the expenses against the appropriate fiscal year. Travel expenses cannot be incurred for the new fiscal year until the appropriation bill or continuing resolution is signed. While waiting for the appropriation bill or the continuing resolution to be signed, the General Services Administration (GSA) approved travel agencies will only issue transportation tickets for travel starting after September 30 if the travel is to be charged to a trust fund account.

The following reference guide will assist travelers in determining which fiscal year to charge their expenses:

- ◆ Taxi fares, mileage, or parking fees, should be charged to the fiscal year in which the expense is **actually incurred**.
- ◆ The entire amount of a round trip air, rail, or bus expense should be charged to the fiscal year in which the **travel begins**.
- ◆ Lodging costs and/or meals and incidental expenses should be charged to the fiscal year in which the expense is **actually incurred**.
- ◆ The entire amount of a commercial car rental for temporary duty travel should be charged to the fiscal year in which the **travel begins**.
- ◆ Relocation expenses should be charged to the fiscal year in which the **travel orders are issued**.

Preparation of a Time & Attendance (T&A) Report for a Pay Period Which Spans 2 Fiscal Years. With the use of the PC-TARE, T&As have become much easier to process with a significant reduction in our error rate. When there is a year where a pay period spans 2 fiscal years, special instructions are clearly provided by NFC through their bulletin in a very timely manner.

**Splitting Fiscal Year
Charges for Travel
and Payroll
(Continued)**

An example of such instruction is as follows: For those agencies that normally use stored accounting when completing a T&A, one of the options available for Pay Period 20 is to prepare a single T&A, entering 2 in the Accounting Data Usage Code field. When this option is used, 20 percent of Week 1 basic payroll costs will be charged to FY96, 80 percent of Week 1 basic payroll costs will be charged to FY97, and 100 percent of premium pay will be charged to FY97. (Other options are provided in Title I, Chapter 21, Time and Attendance Reporting of the NFC Payroll/Personnel Manual, for agencies using stored accounting and also for agencies entering accounting on the T&A.)

Because of fiscal year-end conversion, code 1 cannot be entered in the Accounting Data Usage Code (AC) field to store accounting classification data in the employee's payroll/personnel data base record. You may resume using code 1 to store accounting classification data in pay period 21.

After the final September 30 CAS reports are provided to APHIS for review (usually around the last week of October), we have a few days to make final adjustments, if necessary. When BAD receives the adjustment data from the program units (which are coordinated from the field through their administrative staff at headquarters) there is very little time for detailed analysis.

Final Closeout

Because of the time limitation, we must rely heavily on program unit input. Therefore, it is very important for the program units to know their accounts and activity and submit accurate adjustments (for prior years as well as the current year). The adjustments are provided to NFC by BAD to record as our final official figures to close the fiscal year. This adjustment is made by NFC through a General Journal which affects only the General Ledger accounts and not the CAS accounting reports (I-1, Detail Transaction Report; A-1, Area Report by Project By Sub-Object Class, etc.). The data in the General Ledger accounts are used in preparing the financial statements submitted to OMB, Treasury, and Congress.

**Final Closeout
(Continued)**

In addition to BAD's submission of the adjustment to NFC, it is the responsibility of the administrative support staff to record the adjustments (that were submitted to BAD) in the CAS for the fund holders. These adjustments should be made some time in October to be reflected in the October/November CAS reports. If these adjustments are not made in the CAS, the amounts reflected in our CAS accounting reports will not be in agreement with the General Ledger accounts reported to Treasury and Congress.

**Establishing New
Accounting Codes at
the End of a Fiscal
Year**

New accounting codes for the current year may be needed at the end of a fiscal year to make necessary adjustments. The last day that new accounting codes for the current fiscal year will be accepted at NFC is September 24. After September 24 all current fiscal year changes will be rejected. On September 29 the tables used for processing current fiscal year accounting codes will be frozen.

Summary

Remember to do the following:

- ◆ Submit all needed adjustments promptly and as accurately as possible.
- ◆ Do not include estimates where automatic adjusting entries are made by NFC.
- ◆ Submit Form AD-718 so that FSO will receive it by COB October 1.

Inquiries

Direct any questions on these procedures to BAD.